

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
DIVISION OF WATER

CRUISE SHIP FORUM

OCTOBER 24, 2007  
6:00 P.M. - 8:00 P.M.

JUNEAU LEGISLATIVE INFORMATION OFFICE  
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**Cruise Ship Forum  
October 24, 2007**

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1 THURSDAY, OCTOBER 24, 2007

2 6:00 P.M.

3  
4 MS. KENT: Thanks to all of you  
5 for coming tonight. This is the second public  
6 forum for DEC's cruise ship monitoring program.  
7 Some of you came to our last one that we had over  
8 at Centennial Hall. About halfway through the  
9 meeting, we were interrupted by the gospel rock  
10 band next door, and tonight we have the basketball  
11 players in the gym upstairs. So that's what the  
12 banging is. And I don't know which is worse,  
13 asking God to stop His meeting or a bunch of very  
14 tall guys playing ball, but I chose not to engage  
15 with them upstairs.

16 My name is Lynn Kent. I'm the  
17 Director for the Division of Water at the  
18 Department of Environmental Conservation. Our  
19 commissioner and deputy commissioner apologized for  
20 not being able to be here tonight. Neither of them  
21 are in Juneau today. They are in different parts  
22 of the state at other meetings, so we're sorry that  
23 they can't be here with us.

24 Who we do have, though, is Sharmon  
25 Stambaugh -- Sharmon runs our wastewater discharge

1       permitting program -- and Albert Faure, who is our  
2       lead engineer for our cruise ship program. They'll  
3       be doing the bulk of the presentations this  
4       evening.

5                       I wanted to start out with just a  
6       little bit of background. For several years, DEC  
7       has been running the cruise ship oversight program.  
8       We've been doing it under an existing law or  
9       preexisting law. That regulatory program that we  
10      have been running includes an annual vessel  
11      registration requirement, waste management plans  
12      for the vessels. It includes wastewater discharge  
13      monitoring and reporting. There hasn't been a  
14      requirement in the past for a wastewater discharge  
15      permit, but we have regulations that kind of look  
16      and act like a permit in terms of their  
17      requirements for wastewater discharge monitoring  
18      and reporting of results to DEC.

19                      We also do air emissions opacity  
20      monitoring, and we have been running an inspection  
21      program that includes compliance and enforcement  
22      work.

23                      So in the fall of last year, 2006,  
24      there was a voter initiative that requires  
25      additional cruise ship oversight. That new program

1 has a multitude of requirements in it. We are kind  
2 of a small piece of a much bigger piece of law or  
3 rule-making that was initiated by the voters, but  
4 the portion that applies to DEC requires us to  
5 track vessel locations realtime, so where they are  
6 in the water. It includes a requirement now for  
7 wastewater discharge permits. There is a new fee  
8 collection requirement, and then most  
9 significantly, it establishes a new Ocean Ranger  
10 program. And that program requires us to put a  
11 Coast-Guard-licensed marine engineer on board all  
12 of the large cruise ship vessels entering Alaskan  
13 waters. And their duties are to -- and this comes  
14 right from the citizens' initiative -- are to  
15 monitor compliance with state and federal  
16 requirements for marine discharge and pollution;  
17 and then also to ensure passengers, crew, and  
18 residents at port are protected from improper  
19 sanitation, health, and safety practices. So it's  
20 a pretty broad scope of things that these Ocean  
21 Rangers are supposed to do while they are on board  
22 the vessels.

23 This past spring, kind of at the  
24 start of the cruise ship season, we had our first  
25 public forum. At that one we had invited speakers

1 from industry, we had our third-party independent  
2 monitoring contractor who spoke, and we also had  
3 the U.S. Coast Guard there. At that meeting we  
4 covered not only the new requirements of the cruise  
5 ship initiative, but also the technical aspects of  
6 waste management on board the vessels, and we  
7 talked quite a bit about the advanced wastewater  
8 treatment systems that are on board the vessels  
9 now.

10 We covered federal rules. We  
11 talked about previous water quality monitoring and  
12 the results of that, and then we also talked about,  
13 at that time, the coming 2007 cruise ship oversight  
14 program. There are -- I remembered -- handouts in  
15 the back of the room that kind of summarize that  
16 first meeting that we had last spring. So if you  
17 get a chance, if you didn't when you came in, there  
18 are quite a few handouts on the table back there.  
19 And again, two of them are summarizing the last  
20 meeting that we had.

21 We don't plan to go back over that  
22 ground again tonight. That's why I wanted to skim  
23 over it quickly and tell you where we have been.  
24 Rather, tonight what we want to do is provide a  
25 program update.

1                   So if you refer to the agenda --  
2           and I don't know if people were able to grab one of  
3           those on their way in the door -- what we'd like to  
4           do tonight is describe how that 2007 preliminary  
5           program went, what we have been referring to as our  
6           ramp-up year for the program. We want to cover the  
7           vessel tracking system and how that's working for  
8           us. We want to talk about the status of the  
9           wastewater discharge permitting.

10                   We'd like to report on the 2007  
11           season compliance for the vessels, and then discuss  
12           some of the other provisions of the new law, like  
13           fees and the need for us to revise our regulations.  
14           And then, probably most important to the people in  
15           the room, we want to talk about the 2008 plans for  
16           the coming cruise ship season.

17                   For just a moment I want to  
18           digress from that agenda, though. This Ocean  
19           Ranger program is unprecedented. There is no other  
20           government that we know that runs a similar program  
21           to what has been proposed or what is on the books  
22           now for the Ocean Ranger Program. The closest  
23           thing we have come across in our research is the  
24           NOAA Fisheries Observer program that's on vessels.  
25           So we have looked a lot at that program as we have

1       been developing our open program here.

2                       It's also the first time that DEC  
3       has been tasked with placing what is essentially an  
4       inspector and observer full-time in a regulated  
5       privately owned facility, and that is kind of a new  
6       and different thing for DEC as well.

7                       Sharmon will spend some time this  
8       evening describing some of the tremendous number of  
9       challenges that we had this past year in  
10      implementing the program, including identification  
11      of what kinds of responsibilities the Ocean Ranger  
12      should have when they are on board the vessels. We  
13      have been looking at the gap between the training  
14      that a Coast-Guard-licensed marine engineer has and  
15      the training somebody needs to be able to implement  
16      the duties of the new initiative language in terms  
17      of the environmental requirements and the  
18      sanitation requirements.

19                      We have run up against liability  
20      issues. We have had some real treats with working  
21      on logistics of getting Ocean Rangers to and from  
22      ports, and booking passages on vessels. And in the  
23      post-9/11 era, it has been very interesting for us  
24      to be dealing with security issues, both with the  
25      Coast Guard and with the cruise ships' own security



1 systems, as well as with U.S. Customs. So we  
2 weren't having any Ocean Rangers going through  
3 Canadian waters, but because the vessels do, we  
4 were also having to work with Customs folks.

5 So those are just some of the  
6 things that Sharmon will probably touch on a bit in  
7 her talk this evening.

8 With that kind of backdrop of our  
9 new and what is a pretty complex program, our goal  
10 has been and continues to be -- (noise  
11 interruption) -- to get the ball players out from  
12 upstairs --

13 MS. STAMBAUGH: I told them to  
14 play half court, but --

15 MS. KENT: They didn't buy it,  
16 huh?

17 Our goal has been to develop a  
18 program that makes sense. We need to have a  
19 program that's viewed by the initiative sponsors,  
20 that's viewed by the public who voted for the  
21 initiative, that's viewed by the industry, and  
22 that's viewed by the legislature as a program that  
23 has real value and a program that's sustainable.  
24 So that's really our goal in working on the  
25 program.

1                   It turns out that using 2007 as a  
2                   ramp-up season, in retrospect, I think, ends up  
3                   being a very good decision. There were a lot of  
4                   people who questioned why we didn't have a  
5                   full-blown program the first year with an Ocean  
6                   Ranger on every vessel. But I can tell you there  
7                   was some benefit to looking before we leaped in  
8                   learning about some of the implementation issues.

9                   I'm afraid if we'd had a  
10                  full-blown program, some of the implementation  
11                  problems would probably have been exacerbated, and  
12                  it could have led us to have people kind of  
13                  prematurely concluding that it was a program that  
14                  didn't have value.

15                 So I think -- I hope -- that after  
16                 you hear how the 2007 season went, that you'll  
17                 agree that it was a good thing to kind of ramp up  
18                 and learn as we go, prior to full implementation in  
19                 2008. So tonight we'll be describing that.

20                 Getting back to the agenda, I  
21                 wanted to mention that we have a court reporter  
22                 here. This is not a hearing. It's not a meeting  
23                 that requires formal public comment or anything  
24                 like that, but we have been keeping track of the  
25                 meetings and comments that we hear at the meetings.

1                   we'd like for this to be  
2 relatively informal. we'll entertain -- as time  
3 allows, we'll entertain questions at the end of  
4 each topic. And then we also have a section on the  
5 agenda for Q and A towards the end of the meeting.

6                   We do welcome your comments and  
7 your feedback, especially suggestions that you have  
8 for the coming 2008 season. When you hear about  
9 that, you may have some ideas for us, and we are  
10 most interested in public comment on that.

11                  And then last on the agenda, we  
12 have an opportunity to just provide a brief update  
13 on what EPA is planning with cruise ships as well  
14 as their vessel programs. So, let's see. I think  
15 that's it for the agenda.

16                  We always need our safety moment.  
17 We haven't planned a break, so if you need to have  
18 a break, please feel free to come and go as you  
19 need to. The restrooms -- ladies is out the door  
20 to the left; men is out the door to the right. And  
21 if for any reason we need to leave the building  
22 during the meeting, the nearest exit is out the  
23 door and directly to your left.

24                  So introductions, safety meeting,  
25 what else? Are we ready to go?

1 RESULTS OF THE 2007 SEASON  
2 OCEAN RANGER PRELIMINARY PROGRAM  
3

4 MS. STAMBAUGH: Thank you, Lynn.

5 I'm Sharmon Stambaugh, and I  
6 recognize a lot of you from our previous forum.  
7 There is a much bigger crowd here tonight, which I  
8 do appreciate. And in the interests of not killing  
9 too many trees, we did kind of keep the number of  
10 handouts to a minimum. So if for some reason I  
11 make reference to a handout that you didn't get,  
12 please let me know after the meeting. And we'll  
13 try to post most of these on our website, which has  
14 been a good tool to communicate with people and  
15 make sure that you get anything that we have  
16 developed as a handout.

17 But first of all, I again want to  
18 thank all of you for coming here. The agenda --  
19 the first thing I wanted to go through was kind of  
20 the results of the 2007 season, working up to the  
21 actual deployment of the observers and Ocean  
22 Rangers, and then moving on to the outlook for  
23 2008.

24 So the first important thing that  
25 we worked with was the ballot measure specified

1       that U.S. Coast Guard licensed engineers have that  
2       credential to be an Ocean Ranger. And in  
3       consultation with the U.S. Coast Guard, we  
4       determined that the third assistant engineer was  
5       the right level of credential, kind of in the  
6       spirit of the ballot measure.

7                       And so we realize these folks may  
8       have very specific engineering training, but what  
9       kind of environmental background do they need to  
10      discharge their duties as Ocean Rangers? So we  
11      worked on a training matrix internally and came up  
12      with what we thought they would need to know to do  
13      a stem-to-stern inspection of a vessel. And then  
14      also, these folks, which we assumed were always  
15      going to be contractors, would be representatives  
16      of DEC, so code of conduct and ethics.

17                      So we thought about all of this,  
18      and then we worked with our contractor to refine  
19      that. And what we came up with was a training that  
20      involved in-house sort of book learning, and then  
21      also some of the cruise lines were very cooperative  
22      in letting us get folks on board to do training  
23      sessions on board on some of the vessels here. I  
24      think it was in Juneau.

25                      MR. FAURE: Juneau, yes.

1 MS. STAMBAUGH: So we do  
2 appreciate the cooperation there and the fact they  
3 got some exposure to different types of vessels  
4 that they would be boarding.

5 The next order of business was to  
6 develop a checklist that could be used as an  
7 inspection checklist. We worked again with the  
8 contractor to come up with all of the areas that  
9 the ballot measure covered, which was wastewater  
10 discharge, health and sanitation. And we tried to  
11 develop, you know, tasks for an Ocean Ranger to do  
12 on board a vessel and how to work through that.

13 We also realized that we would be  
14 refining those through the season. So the first  
15 group that went out were kind of guinea pigs, and  
16 they had any number of hours, anywhere from 6 to 12  
17 or 18, as some of them really slammed for 18 hours  
18 and learned all about the vessel.

19 Then we worked, towards the end of  
20 the season, to actually hire the licensed  
21 engineers. The first batch of folks who went out  
22 were trained environmental staff. They had  
23 maritime experience. They'd been environmental  
24 specialists from all sorts of training. We had a  
25 guy from the Navy background. So those folks

1 worked with our contractor and us to kind of refine  
2 the checklists.

3 And so the culmination of the  
4 season was really getting three licensed engineers  
5 on board and having them work with the checklists  
6 and seeing their impressions of what we needed to  
7 do to move forward for next year.

8 One of my handouts here is a  
9 summary of the 2007 season. And really we did it  
10 in three phases. The first phase, we had eight of  
11 these environmental professionals on board training  
12 and using the materials that we and the contractor  
13 developed. And each one of these observers went on  
14 at least one leg. Some of them had different  
15 skills and only went out a few times; some of them  
16 went out many times. So we kind of mixed and  
17 matched and used the skills of the eight observers  
18 to try to develop and further refine the  
19 checklists. So they were tested and improved  
20 during that first phase.

21 And the end result was a notebook  
22 that was specific to each vessel, and it had their  
23 treatment systems, the layout of their piping  
24 systems, a lot of the internal workings of the  
25 vessel, who was the environmental officer. And we

1 do have an example of some of these checklists on  
2 the back table, if you want to take a look at them.  
3 Some of them are filled in, and some of them are  
4 just examples of what the observers would fill in.  
5 So if you want to take a look during a break or at  
6 the end of the meeting, you can actually see, or  
7 even pass them around to folks to look at. So that  
8 was the goal, was to get this notebook developed.

9 The next phase, we added  
10 additional legs. We continued to refine the  
11 checklists. We also developed an abbreviated  
12 checklist. Obviously they didn't need to go stem  
13 to stern every time they went on board. So what we  
14 did was work with the contractor to come up with  
15 what were sort of the essentials you would do every  
16 day and how you would spread the work out, if you  
17 were on a longer voyage, to make it a reasonable  
18 workload and not put a lot of pressure on the  
19 environmental staff and crew on board to constantly  
20 ask to be going certain places. You know, somehow  
21 get a sense of what the work flow would be for an  
22 observer on a typical voyage. So that was sort of  
23 phase 2.

24 And then phase 3 was when we did  
25 bring on these engineers. We always had some of



1 the other observers working with them. They  
2 trained together. They did an onboard training  
3 thing again. And so during the time we had the  
4 licensed engineers, we also continued to have some  
5 of the other observers ride at least one vessel  
6 during the same time the three -- and these three  
7 observers were hired through the MEBA union hall  
8 here in Juneau.

9  
10 2007 SEASON OBSERVER PROGRAM

11  
12 MS. STAMBAUGH: Some of the  
13 statistics -- the observers and the engineers made  
14 114 overnight rides between May 9th and  
15 September 28th. That included multiple day  
16 voyages. Eight voyages were scheduled but had to  
17 be canceled because of weather, lack of berths, and  
18 schedule changes. And Lynn mentioned that we did  
19 come up with some logistic issues. Some of them  
20 involved the Customs and border patrol. Some of  
21 them were just weathered out. This is Southeast,  
22 so some people just didn't make their planes and  
23 didn't get on board the ships.

24 So we expected some of that, and  
25 we got to see firsthand how you have to shuffle the

1 logistics if those sorts of unavoidable things  
2 happen.

3 All 27 cruise ships that were  
4 regularly operating in Alaska waters during the  
5 season were boarded at least once. We had a total  
6 of 30 vessels, but three of those only came for one  
7 visit. So the 27 recurring visiting vessels were  
8 all boarded at least once.

9 Sort of the results -- we had two  
10 minor incidents involving -- an observer saw in one  
11 case an oil leak, and in one case a hull  
12 maintenance issue. But those were the only two  
13 things that were reported on their checklists that  
14 we followed up on. None of the onboard  
15 observations led to any compliance or enforcement  
16 actions by DEC this season.

17 And after the season, the  
18 contractor and DEC all sat down and had a  
19 debriefing of what worked and what didn't work,  
20 recommendations, problems, suggestions. And I  
21 summarized a few of these, and this is going to all  
22 be summarized in a report that the contractor will  
23 provide us at the end, that summarizes the season.

24 But sort of the highlights -- one  
25 of the suggestions is that long voyages might not

1 fully utilize the Ocean Rangers. We do realize  
2 there is going to be some dead time, and we are  
3 trying to figure out what is an optimum schedule  
4 and how you would fully use the Ocean Rangers  
5 during the time they are on board, if they are  
6 continuous-riding, start to finish, on a voyage.

7 We realize there is overlap of  
8 some of the duties conducted by the U.S. Public  
9 Health Service under the CDC, Centers for Disease  
10 Control, and we're working with our own  
11 environmental health staff and the U.S. Public  
12 Health Service to refine the checklists to come up  
13 with duties that don't overlap with the Public  
14 Health Service. They have inspections as well.  
15 But sort of focus on those things that are under  
16 DEC's purview in human health and sanitation.

17 We also are considering that those  
18 vessels that only come once to Alaska during a  
19 season -- there are some adventure-type cruises  
20 that come to Nome -- and we are thinking maybe DEC  
21 might be able to do those inspections so that we  
22 don't have to hire an Ocean Ranger for one  
23 visitation.

24 Then obviously access and port  
25 security were issues. They need streamlining. And

1       how to, you know, work the demand on the shipboard  
2       environmental officers' and crews' time when we  
3       have Ocean Rangers on board.

4                       We did realize we were going to  
5       have to secure berths, cabins for the Ocean Rangers  
6       well in advance of the 2008 season. The cruise  
7       industry is really hopping in Alaska, in Southeast,  
8       and if we want berths for the Ocean Rangers, we  
9       knew we might have to book those as early as this  
10      fall, and we are working on that as we speak.

11                      We needed to work out what kind of  
12      rotation schedule the Ocean Rangers would be on.  
13      Would they be on a certain class of vessels, or  
14      would they rotate to different lines? We've  
15      discussed different options for that.

16                      Streamlining communications and  
17      logistics -- we have been talking about what kind  
18      of tools the Ocean Rangers would have, be it  
19      smartphones, or laptops, or how they are going to  
20      communicate on a daily basis to us. And because we  
21      are estimating if we had 27 or 30 Ocean Rangers  
22      deployed in 2008 each doing a daily report, that  
23      would be up to 4,500 reports that would come to  
24      DEC. So we are trying to figure out the best way  
25      to get the information and assess it in a timely

1 way so that it's meaningful environmental data for  
2 us.

3 I think that's all I wanted to  
4 cover, but I really would be open to questions.  
5 This was, I think, the meat of why people are here.  
6 They wanted to hear how this season went. Albert  
7 went out and was more actively working with these  
8 guys, so he can certainly -- we even have a  
9 contractor here who can maybe give his take on  
10 things.

11 MR. FAURE: Besides what we did  
12 with the Ocean Rangers and the observers, we keep  
13 on going with our original backbone of the  
14 program -- the old style, I should say. That is,  
15 just the sampling regimes were still intact. We  
16 did still our surprise visits from DEC to big  
17 random ships in random models and said, "Hey, we  
18 are going to look at these ships," new ships, old  
19 ships. We did still our opacity readings. We did  
20 still our solid waste oversight, our manifest  
21 checks. And that was still continued in this  
22 season and will be continued to next season as  
23 well.

24 MS. STAMBAUGH: So are there any  
25 specific questions about what we did this season

1 with our Ocean Rangers and our observers? I  
2 welcome any questions, or you can hold them to the  
3 end when we're done.

4 MR. BAKER: I have one. I'm Miles  
5 Baker. I'm with Senator Stedman's office.

6 You implied that this was kind of  
7 a ramp-up season. So other than these -- some of  
8 the changes you have mentioned are things that you  
9 are looking at differently. How is the '08 season  
10 going to be significantly different?

11 MS. STAMBAUGH: There are two  
12 other provisions of the ballot measure that we are  
13 going to talk about, which are the vessel tracking  
14 system and the general permit for vessels. We'll  
15 talk about that.

16 As far as ramping up for 2008,  
17 obviously the big thing is we are going to deploy  
18 more licensed engineers. But I think working the  
19 way we did, starting with environmental  
20 professionals and then bringing on the engineers,  
21 we could see what skills each of those people had  
22 and what the training for next year is going to  
23 have to be.

24 I think a big consideration for  
25 next year is taking this year's information and

1       figuring do we need to beef up the training. We  
2       had two days of training. I think we are looking  
3       more at five days of training next year, including  
4       another vessel boarding exercise so they get some  
5       on-the-ground with our vessels.

6                       Chip?

7                       MR. THOMA: Sharmon, Chip Thoma.  
8       I had a question for you about the observer program  
9       and the rangers that were on board this year. Were  
10      any payments made to the cruise companies for  
11      berths on board the ships this year?

12                      MS. STAMBAUGH: No. This year was  
13      sort of catch as catch can with berths. We didn't  
14      prearrange berths. That was all done sort of on  
15      the fly, I think. And a lot of times, berths were  
16      available, and they were given sort of  
17      complimentary to -- even if it was a short voyage  
18      and not an overnight, if there was something  
19      available, as a courtesy they were given a berth.

20                      MR. THOMA: What were the  
21      approximate parameters of what the contractor -- I  
22      believe it was Oasis. What kind of a contract size  
23      did they have for this observer program this  
24      summer?

25                      MS. STAMBAUGH: Well, we had some

1 estimates that were in the original Cape  
2 International report that we kind of worked off of.  
3 We have worked on our own internal budgets, and  
4 also we have a contract that had gone out for bid.  
5 We have always been working, in terms of the cost  
6 of berths, about \$2,000 for a voyage. But that can  
7 vary.

8 MR. THOMA: What was the size of  
9 the Oasis contract?

10 MS. STAMBAUGH: The size of the  
11 contract?

12 MR. THOMA: Yes. What was that  
13 size?

14 MS. STAMBAUGH: You mean the  
15 amount of money for the Oasis contract?

16 MR. THOMA: The amount. I'm  
17 sorry, the amount.

18 MS. STAMBAUGH: I don't know, off  
19 the top of my head, if I can say.

20 MR. THOMA: How about a round  
21 number?

22 MS. STAMBAUGH: Their contract  
23 goes through the end of this fiscal year. They are  
24 a term contractor, which wasn't a bidded thing. We  
25 have added additional tasks to that contract.



1 MR. THOMA: How about a round  
2 number?

3 MS. STAMBAUGH: I would say  
4 \$200,000.

5 MR. THOMA: Okay. So we have  
6 spent \$200,000 of what we were given from the  
7 legislature? I think it was 1.25 --

8 MS. STAMBAUGH: No. Actually, at  
9 this point, I was using -- mostly funding this  
10 season was coming from existing funds that I had  
11 available from --

12 MR. THOMA: Okay.

13 MS. STAMBAUGH: In the existing  
14 program, a registration fee was paid. And I had a  
15 certain amount of money in my budget that was  
16 available from our regular registration process.

17 On top of that, we did get the  
18 \$4 berth fee; and I plan to talk about that a  
19 little bit, but I'll go into that later. So  
20 largely, this season, and this past fiscal year and  
21 into the new fiscal year, I was working off of  
22 funds that we already had attached to the program.

23 MR. THOMA: Well, if you were able  
24 to get that entire observer program done for  
25 \$200,000, congratulations. That's fantastic.

1 MS. STAMBAUGH: well, yeah. I  
2 think we did really well, considering.

3 MR. THOMA: I think you did, too,  
4 yeah.

5 MS. KENT: All the bills aren't  
6 in.

7 MS. STAMBAUGH: The final numbers  
8 are not in. Don't quote me on this, but I think  
9 that we learned a lot, and I think because we had  
10 the eight observers out originally and then,  
11 towards the last part of the season, did get -- and  
12 I'll be honest. The licensed engineers are going  
13 to be way more expensive because of their contract.  
14 They have an hourly fee. They have per diem. They  
15 have benefits. They have shore time.

16 So I think that you are going to  
17 see the costs increase if we deploy all of the  
18 third assistant engineers.

19 MR. THOMA: Okay. Thank you.

20 MS. STAMBAUGH: Any other  
21 questions?

22 REPRESENTATIVE SEATON: I'm  
23 Representative Paul Seaton, District 35.

24 Do you anticipate an adequate  
25 number of marine engineer 3s being available for

1 the '08 season?

2 MS. STAMBAUGH: When we were  
3 looking at the contract for 2008, as a buffer in  
4 the contract, we considered -- I mean, the original  
5 ballot measure only specified U.S. Coast Guard  
6 licensed engineers. And we did some research and  
7 talked to the Coast Guard. They said these third  
8 assistant engineers are the guys to go to, and  
9 gals. We had a woman Ocean Ranger.

10 And they have 36 months of current  
11 sea time. They have a lot of training. There are  
12 different classes of licensed engineers in the  
13 Coast Guard, different levels and credentials. And  
14 we determined that the minimum accepted level was a  
15 designated duty engineer.

16 If for some reason we can't get 27  
17 to 30 Ocean Rangers with that third assistant  
18 engineer credential -- and there are not too many  
19 of them around -- then we may have to dig deeper  
20 into the available folks and go with somebody who  
21 has 12 months of sea time.

22 The other trick to this is, when  
23 you are on duty as an Ocean Ranger, the Coast Guard  
24 is not considering this sea time that qualifies for  
25 keeping your license. So I would think that

1       somebody new to the field that wants to keep their  
2       licensing up -- this might be a deterrent to them  
3       wanting to be an Ocean Ranger.

4                   REPRESENTATIVE SEATON:   And a  
5       follow-up on that.  Could you just give us a  
6       feeling for your assessment of the applicability of  
7       that standard versus the environmental people that  
8       you had?  I mean, did the environmental people that  
9       you had -- did they seem to be adequate for the  
10      job, or do you think that the designation that was  
11      required in the law, is that -- is that experience  
12      level necessary, a necessity for the Ocean Rangers?

13                   MS. STAMBAUGH:  I think each of  
14      those brought, at least in this ramp-up season,  
15      skills that we really used well this season.  We  
16      had the sort of seasoned engineers.  They already  
17      were working with materials developed by these  
18      environmental professionals.

19                   I think with adequate training  
20      and, you know, good checklists and good feedback  
21      from DEC during next season, the engineers would be  
22      very capable; in fact, you know, ideal to do the  
23      job.  Whether it's overkill, I'm not sure.  I think  
24      there are skills that they'll never use, that they  
25      have as engineers, as an Ocean Ranger.  They'll

1 never have to know how to take apart the drive  
2 train of a piece of equipment. They just will  
3 never have to do that.

4 So, Albert, do you --

5 MR. FAURE: This uses both worlds.  
6 With a marine engineer, you have a guy that keeps  
7 things running and knows where the fluids go, from  
8 A to B, and pipe systems. So there is a great  
9 advantage to get these cross-people on board. They  
10 know ships. They know at least systems. They can  
11 analyze systems. They can capture processes. If  
12 it's a wastewater process or a steam process, they  
13 have an idea from the blocks and how it works  
14 together.

15 We think that, on the other side  
16 of the house, an environmental engineer knows a lot  
17 of things about the water, the water matrix, the  
18 BOD and these kinds of things, and regulations.

19 Now, what we put in the  
20 preliminary matrix for the training for the winter,  
21 what we are going to do, or try to do, is to bring  
22 both sides of the house together and say this -- if  
23 the guy that's going to do it is the marine  
24 engineer, as required by law, then we are going  
25 really to focus on both sides, from the marine

1 engineering side and the environmental engineering  
2 side.

3 On the other hand, we should  
4 recognize, too, that marine engineers -- I'm one --  
5 like myself, the installations, what we find on  
6 these cruise ships, are pretty much unique. You  
7 don't find them on the APL ships or the Madsen  
8 ships, the typical cruise ships, this order of  
9 magnitude.

10 So we give them that extra  
11 training for the specific installations for each  
12 ship, because there are a few installation types  
13 around, to optimize their training so they can  
14 evaluate everything in a good way and do the best  
15 that they can.

16 MS. STAMBAUGH: And if I can just  
17 expand on that, the one duty that I don't think  
18 either of those groups necessarily has is the  
19 sanitation part. That is something that, at DEC,  
20 our environmental sanitations -- they have a lot of  
21 training. They know human health impacts of a lot  
22 of activities and kitchens and spas and pools. I  
23 mean, they are the ones who look after sort of the  
24 human health impacts of some of these activities.

25 And so we realize that's a piece

1       that we're going to have to beef up, and we are  
2       working, as I said, with our own environmental  
3       health sanitarians and the U.S. Public Health  
4       Service to try to figure out what is the best  
5       complement to what the CBC already does.

6                   MR. TURVEY: I have a question  
7       here. John Turvey. You talked about, with the  
8       longer voyages, that maybe the Ocean Rangers  
9       weren't fully utilized. How long is long? Three  
10      days? Seven days?

11                  MS. STAMBAUGH: I think the  
12      longest was three to four days this -- I don't  
13      think we had anybody boarding outside of Ketchikan,  
14      so it would be maximum four days inside our Inside  
15      Passage waters. So four days.

16                  MR. TURVEY: So by the fourth day,  
17      you were getting feedback that maybe they weren't  
18      fully utilized at that time?

19                  MS. STAMBAUGH: I believe that is  
20      what we heard at the debriefing, that it might be  
21      hard to keep the effort going for all the days.

22                  MR. TURVEY: Did they have a sense  
23      of what the optimal time would be?

24                  MS. STAMBAUGH: I think we are  
25      still working that out and looking at some of

1 the -- we haven't -- I mean, we got so many of  
2 these daily reports, I think we are going to have  
3 to, ourselves, really kind of work and analyze what  
4 we think is the right mix.

5 MR. FAURE: Can I expand a little  
6 bit on that? What we saw in the reports, doing the  
7 review, is -- we gave them a checklist. That was  
8 a start, at least. That was at least how you get  
9 things started for the first time for DEC, for the  
10 cruise ship industry, seeing how is it going  
11 together.

12 There was, of course, when these  
13 guys came on board, the observers and the  
14 rangers -- there was really, "Okay. We need to  
15 fill up this checklist." So they did the checklist  
16 over and over and over, which is a good thing. And  
17 over time, they augmented that checklist with,  
18 "Hey, guys, you should look at this too. Can I  
19 look at this too?"

20 And that way, it was at that  
21 time -- the four, three days was not a thing that  
22 was cast in stone. I mean, we see if they do one  
23 step at a time and follow also more the operations  
24 on board, like they go to discharge and take the  
25 time for that, and do other facets during these



1 trips, then I think they might be -- pretty much  
2 have a day task for their time there in Alaskan  
3 waters.

4 But as you know, John, over time,  
5 you do it once, you see it once, it's really keep  
6 on focus. But I think there is a lot of facets,  
7 especially in the beginning of the season. When we  
8 started, these guys really enjoyed it. They said,  
9 "Hey, this is great." But later on, we saw that  
10 they could go further, and that was really valuable  
11 information that we got back.

12 MS. STAMBAUGH: well, I think --

13 MS. KENT: There is one more  
14 question.

15 MS. STAMBAUGH: Oh, one more  
16 question.

17 REPRESENTATIVE GATTO: I'm  
18 Representative Carl Gatto, Palmer.

19 I notice that we have paper,  
20 pencils, check sheets. Do you have any intention  
21 to make it digital --

22 MS. STAMBAUGH: Yes.

23 REPRESENTATIVE GATTO: -- so that  
24 when you enter data, you can walk around with your  
25 special little thing and punch in numbers?

1 MS. STAMBAUGH: Yes.

2 REPRESENTATIVE GATTO: And that  
3 would kind of clear the deck for you to read 40,000  
4 reports.

5 MS. STAMBAUGH: Well, that's one  
6 of the things in the contract that we have out to  
7 bid, and we are reviewing the proposals that came  
8 in on the contract for 2008. We asked people to  
9 propose the best way for communication back.

10 I mean, this information is  
11 valuable to DEC in as realtime as we can possibly  
12 get it, so we are talking about handheld devices  
13 and laptops. We are just trying to figure out what  
14 is the best system for getting information back to  
15 us.

16 But a clipboard and a paper -- I  
17 mean, there are even safety reasons for not wanting  
18 to carry that stuff. If you've got to climb up a  
19 ladder, you don't want to be carrying a lot of gear  
20 with you. And so I think that we are probably  
21 going to move for some sort of smart technology  
22 like that.

23 REPRESENTATIVE GATTO: And then  
24 just to follow up, what does the normal work day  
25 look like? Do you actually work an eight-hour

1 day -- four hours, lunch, four hours -- or do you  
2 work 24 and figure that, somehow or other, you got  
3 your eight hours in?

4 MS. STAMBAUGH: When we first were  
5 looking at implementing the ballot measure, we were  
6 thinking, is this 24/7? Is this 12-on/12-off? We  
7 didn't know. The ballot measure didn't really  
8 specify that. So I think most of what we had the  
9 contractors bid out was a 12-hour day.

10 But it may be that you would do  
11 some of that part of the day, and then come back  
12 and do -- I mean, these guys are kind of captive on  
13 this vessel. It's not like they are going to go  
14 home. I mean, they are on the vessel. They could  
15 plan their work day to optimize different cycles of  
16 activities on the vessel.

17 REPRESENTATIVE GATTO: Well, it's  
18 not exactly a tanker. It is a cruise ship.

19 MR. FAURE: Let's expand a little  
20 bit on that, on the question. We do have all these  
21 documents electronically, and we deal already with  
22 existing documents like the VSSP, the Vessel  
23 Specific Sampling Plan, and all these things  
24 electronically. The industry, the cruise ships  
25 apply for these electronically. So I make for this

1 evening a printout for you, the audience, in paper.  
2 So that is the thing.

3 We are working already on a kind  
4 of matrix model for the reports, how we get them.  
5 We screen them so we can, very fast, electronically  
6 screen. If there is something wrong, that is  
7 identified in the kind of formatting and  
8 convention.

9 To come back on the ships, what we  
10 saw, and I personally saw, is a ship, a cruise ship  
11 is not 8:00 to 5:00; a tanker either. I mean, to  
12 be really efficient, the Ocean Rangers make their  
13 hours around when things operational are going to  
14 happen. For example, a discharge, or, for example,  
15 an alarm that involves environmental installation,  
16 equipment.

17 So what we think is -- that we saw  
18 these observers do, they sometimes went on board,  
19 go to sleep after their introduction, and the  
20 environmental wake him up. "We are going to do  
21 something. Tag along." And then we saw days that  
22 the guy is working three hours, an hour break, then  
23 three hours, then two hours.

24 So what I'm saying is, we really  
25 try, in that slot, to optimize them to get that

1 environmental compliance information.

2 MS. STAMBAUGH: If I could expand  
3 on the electronic forms, the existing cruise ship  
4 program has been in the forefront of DEC of doing  
5 things electronically. The cruise lines do an  
6 electronic registration form. They submit a lot of  
7 information to us electronically. It's kind of the  
8 guinea pig at DEC, where we tried out a lot of our  
9 electronic online applications.

10 MS. KENT: You've got one more.

11 MR. BRAKEL: My name is Aaron  
12 Brakel. I grew up in Juneau here, and I have  
13 watched the air quality impacts of the cruise ships  
14 seem to really increase over time as there are a  
15 lot more, and they are bigger.

16 I'm wondering a couple of things.  
17 Is there any background, you know, studies being  
18 done during the off season to identify the air  
19 quality that is, you know, here in Southeast,  
20 outside of the cruise ship season? I mean, I'm  
21 seeing what I believe to be pretty significant  
22 effects.

23 Our relatively small Gastineau  
24 Channel airshed really seems to be greatly impacted  
25 by these large vessels with the large number of

1       stacks. And I know that they are monitoring  
2       individual stacks, but there is a cumulative  
3       overall impact. And I'm wondering if there is any  
4       money or any effort being put toward identifying a  
5       base line and seeing what these ships are doing.

6                       And another side of that question  
7       is, I started to wonder about the, you know, carbon  
8       impacts of the cruise ships. Are the Ocean Rangers  
9       capturing any data about types of fuel consumption,  
10      cumulative -- you know, the amount of fuel  
11      consumed, and, you know, what type of fuel? I just  
12      am very curious about that.

13                     And also like maybe -- I was  
14      looking into the possibility of more of the cruise  
15      ships plugging in locally, because we are looking  
16      at some different dock design for Juneau. And I  
17      guess there are some concerns actually about Juneau  
18      hydrocarbon capacity. And I'm just wondering about  
19      conservation aboard the vessels, if there is a way  
20      to just reduce those air quality impacts and get  
21      them down.

22                     MS. STAMBAUGH: All right. On the  
23      agenda, I did want to talk a little bit about air  
24      emissions and compliance, but I'll move ahead and  
25      address as many of these as I can.

1                   Yes, we are aware that our opacity  
2       reads are focused on a single stack. And when you  
3       have self vessels in port, you can get -- because  
4       of Juneau's situation, you can get a haze. There  
5       are no standards for haze. We have conducted  
6       ambient air quality in the past years as part of  
7       our cruise ship program.

8                   The luxury that we had, because of  
9       the registration fee, was we had a pot of money  
10      that we could apply towards, sort of, you know,  
11      first principles kind of scientific research about  
12      impacts of the cruise industry. And we partnered  
13      with the U.S. Forest Service on some studies of  
14      vegetation, and we had wanted to continue with some  
15      more ambient air quality studies.

16                  We did not conduct any of those  
17      this year. Frankly, I did not have the money to  
18      put towards a contract to do that.

19                  MR. BRAKEL: Is the registration  
20      not ongoing?

21                  MS. STAMBAUGH: The registration  
22      -- I had the money, but the study was expensive.  
23      So for this year, I decided, well, we'll defer a  
24      sort of ambient air quality study.

25                  MS. KENT: Can you speak to the

1 results of the prior ambient air monitoring study?  
2 He might find the results of that --

3 MS. STAMBAUGH: Yes. The prior  
4 results --

5 MR. FAURE: Yes. We did a few  
6 ambient air monitoring on ground level, where we  
7 walk and live. And we did that in 2000 for SO<sub>2</sub>,  
8 NO<sub>x</sub> and PM, if I remember, and for Marine Way we  
9 had a station. All the results are on the web.  
10 Not to say -- but, I mean, you can have a look  
11 there. And the results were well below, at that  
12 time, the air quality standards, the ACQS.

13 And in 2001 I recall -- that is  
14 also in a report on the web -- and we have to talk  
15 more about it, because I sent you that report that  
16 was is 2001. We did ambient air monitoring of the  
17 highlands. We did it in different spots. Maybe  
18 you remember that. We did again SO<sub>2</sub>, PM, these  
19 particles, these small things. We didn't find  
20 much, and we did -- that was -- I think we did  
21 these two as an expansion on the Baranof Hotel.

22 But to be honest with you, I read  
23 these ships myself on a number of occasions, and if  
24 you have a certain wrong angle, you see really bad  
25 things. But if you have the certain angle correct,



1       then you read it -- then you see it okay.

2                       But I do see that we -- DEC may --  
3       and I know Sharmon indicated too -- in the close  
4       future should look a little bit more outside of the  
5       plumes above town, and we should also look at all  
6       the associated impacts from the cruise ships then  
7       and also the burden on the sea and the traffic so  
8       that we can capture them. Then we can just say,  
9       "Okay, guys. This is what we have. What can we  
10      do?"

11                      But there are a few things that we  
12      have to recognize, too, is that we have a very  
13      complex terrain here. We live in a fjord kind of  
14      setting. We have inversion layers, and we have  
15      days that our climate is different than other days.  
16      For example, we had one day that there was a fog  
17      layer and the sun shining through.

18                      So I think I would say, from a  
19      scientific point of view, and just to address these  
20      things, if there is really something going on on a  
21      different level, rather than on the ground level  
22      where we will live, we may be looking at it. But  
23      just what Sharmon says, I don't know if we can do  
24      that next year. It is not for me to decide on  
25      spending for that.

1 MS. STAMBAUGH: Then just to  
2 briefly touch on some of your other issues, the  
3 whole air emissions from cruise ships is getting  
4 national interest, and there is an effort in the  
5 Ninth Circuit to look at the industry as a whole,  
6 and advanced technologies, and also carbon  
7 footprint. I think that's a national effort at  
8 this point.

9 MR. FAURE: And what we see too --  
10 and I'm absolutely not -- not -- but what I just  
11 called findings is our -- the use rate if we  
12 (indiscernible) over distillate fuel, some kind of  
13 (indiscernible). We have customers that use  
14 palm -- biodiesel based on palm oil. There are  
15 cruise ships with gas turbines that has to rely on  
16 distillate fuel or on distillate biodiesel.

17 We see the plug-in as very  
18 positive, and I personally hope that there is power  
19 available for future plug-ins. And also there may  
20 be new docks will accommodate that. There are  
21 already what I saw a lot of ships now, new built in  
22 the Alaska trade, that can plug in, but there is  
23 not a plug-in. But it's not to me to say which is  
24 first, the chicken or the egg, you know. But I  
25 really hope that there will be more plug-ins

1 available, for their perspective.

2 MR. BRAKEL: I'll push for it  
3 locally.

4 MR. FAURE: Thank you.

5 MS. KENT: Okay. We probably need  
6 to move on to the next topic.

7 MS. STAMBAUGH: I want to kind of  
8 move on. And if there are other questions, we can  
9 definitely cover some of these in the Q and A  
10 period.

11

12

STATUS OF LARGE PASSENGER VESSEL

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WASTEWATER DISCHARGE GENERAL PERMIT

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MS. STAMBAUGH: So to move on in  
the agenda, the next item was to give you the  
status of the general discharge permit. Again,  
this vessel permit was part of the ballot measure,  
and we decided that the most efficient way to do  
that was through a general permit.

We public-noticed a general permit  
where we did have a public meeting, and some of you  
came. And this was -- we issued this in May. We  
took public comment, and we are now at the point  
where we are looking at the public comment. We had

1       some very lengthy technical comment on this permit.  
2       We are in a deliberative process on this permit  
3       right now.

4                       To just kind of give you what we  
5       did this year to cover these vessels, we did enter  
6       into a compliance order by consent, where we took  
7       at least the effluent limits on this permit, and  
8       had the vessels agree to use these effluent limits  
9       as their goal this season.

10                      So this season we had 30 vessels,  
11       and 8 of those vessels chose not to discharge in  
12       Alaska waters. So there were 8 vessels who didn't  
13       discharge at all this season. They would go out to  
14       federal waters to discharge.

15                      MR. FAURE: Outside of 12 miles.

16                      MS. STAMBAUGH: Outside of the  
17       12-mile limit. So anyway, just keep tuned on this.

18                      I had several copies of this on  
19       the back table, and the fact sheet that went with  
20       it. If I ran out, I'll give somebody this copy,  
21       but basically it's on our website. And we hope to  
22       have a final permit out as soon as possible.

23                      Are there any questions about  
24       that?

25                      Okay. The next item was the

1 vessel tracking system, and Albert is going to  
2 just -- that was another provision of the ballot  
3 measure, and I think we got real good results on  
4 that one this season.

5

6

#### VESSEL TRACKING SYSTEM

7

8 MR. FAURE: Thank you for having  
9 me here. Thank you for coming, all. I have to  
10 apologize that we had only 12 handouts for this  
11 document. So if there are neighbors that want to  
12 share, that would be great. I'll walk through that  
13 document and try to keep it as short as possible.

14 The law requires us to do a vessel  
15 tracking system based on modern global position  
16 technology. DEC assessed numerous systems around  
17 the world, what was most suitable for us and has  
18 the maximum coverage in Alaska, but it's not easy.  
19 And we ended up in a positive way with the Marine  
20 Exchange in Alaska to help us monitoring these  
21 ships and to provide us all the data and the  
22 coastal navigation data.

23 And I'm walking quick through the  
24 sheets from the handout so you can see what we are  
25 doing. This is a nationwide vessel tracking system

1 that was developed by the Marine Exchange in  
2 Alaska, here in Juneau. You see here America,  
3 Canada -- you see all these dots there that are  
4 ships that are part of the tracking system. They  
5 are not necessarily cruise ships, but can be any  
6 vessel that is equipped with a transponder and is  
7 reporting to the Marine Exchange system.

8 The system is based on a few  
9 components. We have an AIS system and a long-range  
10 satellite system.

11 On the next page you'll see that  
12 fish processors are monitored on the system,  
13 container ships, tugs, oil exploration, and you see  
14 also a few cruise ships. You can see on your  
15 computer screen live what is going on through a  
16 secure Internet connection with the Marine  
17 Exchange.

18 Here the next page is quick --  
19 briefly telling how it actually works. It is a  
20 combination here in Alaska of kind of  
21 identification system, but it's shore-based, using  
22 satellite communication to get optimum coverage in  
23 Southeast. And you can understand, with all the  
24 fjords and complex terrain issues, it's pretty much  
25 a job to get real coverage in Southeast Alaska for

1 all these ships. And for now, what we monitored is  
2 for all the large ships in the program for 2007.  
3 We found out that the coverage in Southeast Alaska,  
4 and Alaska as a whole, was excellent.

5 We have here an example where the  
6 course lines, the position history actually from  
7 these vessels are plotted. The law required us to  
8 monitor once an hour. So we take one times an hour  
9 from, for example, the M/V Ryndam. Boom. The text  
10 says, as indicated, plot and length of time, ship  
11 speed. And it's on a nautical map so we can see  
12 where she is. An hour later, you see the next  
13 plot.

14 You can also plot over minutes.  
15 Imagine that. You can really see what the ship  
16 does. Big Brother is watching you. If you get  
17 grounded, they can tell when you hit the rocks.  
18 But we don't need that.

19 So, the next page, you can see the  
20 red circles. That is a little bit the sites that  
21 are maintained and operated by the Marine Exchange,  
22 where all these stations are that monitor these  
23 systems through the GPS system. So you see there  
24 is really wide coverage in Alaska. That is really  
25 neat, especially in Southeast and in the Prince

1 William Sound area, where the most cruise ships are  
2 navigating.

3 "While a commercial passenger  
4 vessel is present in the marine waters of the  
5 state, the owner or operator of the vessel shall  
6 provide an hourly report of the vessel's location  
7 based on Global Positioning System technology."

8 That's the law, and that's what we  
9 did for 2006 for the vessel tracking system. The  
10 Marine Exchange system, their tracking system, used  
11 track locations, and we do use the satellite and  
12 communication stations.

13 Now, it's in the law also  
14 reporting requirements. They say you have to  
15 report all your logs, discharge logs, which our  
16 customers all do. So they send me every month --  
17 digital on a diskette because it's too big to send  
18 through the Internet. They are 10-, 20-megabyte  
19 files. They send them to me. I look at them. I  
20 open them and do some spot checks, and I check a  
21 few against the vessel tracking system.

22 So here is an example for the  
23 Norwegian Cruise Line, the Norwegian Pearl.  
24 Beautiful ship. And we get a printout from the  
25 vessel tracking system. As you see, it has the



1 name of the ship, and for date and time, you can  
2 see all the locations and positions where she was  
3 in Alaska.

4 Now, we took where the two arrows  
5 are. Then you can plot the two arrows, the lot and  
6 lengths corresponding with that, on the map. We  
7 have that on line, that map, and we have also a  
8 coastal navigator, too, and we can see what she did  
9 for that period. This map we did just the first  
10 Alaska voyage replay so we could see what she did  
11 from the first time when she came up here, what the  
12 whereabouts of her was.

13 And then on the page further, you  
14 see, for example, what the lot and lengths were on  
15 that specific date and time. You can see also what  
16 speed she made, and we can also see in between what  
17 speed she made. So we pretty much can cover her --  
18 we can track her.

19 Then we can get a step further.  
20 We can plot the lines that we find through the  
21 discharge log electronically and compare that on a  
22 nautical chart, what we did here. And we saw that  
23 she discharged lots greater than the 12-mile zone,  
24 so she was fine.

25 The next example is that if she

1 discharges in Alaska waters -- which you can do if  
2 you are certified, and you do your sampling, and  
3 you are approved to do so. And that example is  
4 given on the next page, is that we used one  
5 position, obtained through the vessel tracking  
6 system. I do that online (indiscernible), and I  
7 start to plot that. And then you can see what she  
8 did over the time that was close by Tongass  
9 Narrows, in Ketchikan, and what really happened.

10 And that is pretty much what this  
11 system does. I call it, in a positive way,  
12 environmental intelligence. We get complaints from  
13 people sometimes, that they say, "We saw the Albert  
14 sailing and dumping all kinds of junk overboard."

15 Now if we have a time or date --  
16 and we have -- and a location, Tongass Narrows, I  
17 can see in the system who was there. And most of  
18 the time, some people mix things up or have another  
19 idea.

20 It is so very nice, too, what we  
21 did with the Ocean Rangers at the end of the  
22 season, and with the observers, we give them  
23 sometimes -- "Oh, bring me a log, a copy." And  
24 they did. They just made random a log on board  
25 when they did their rounds, and we compared it. So

1       there was reciprocity with the people on board and  
2       us to see, for environmental compliance, how it  
3       works.

4                       And we did have in the beginning  
5       not always coverage, 24-hour-seven. I have to be  
6       honest with you. In Tracy Arm, we have sometimes  
7       outages of a half hour, an hour, two hours, that is  
8       caused by situations like clouds and other things  
9       what we don't know yet. But still the uniqueness  
10      of this system is, we have always a beginning and a  
11      start point, so we can pretty much back-engineer  
12      the whole whereabouts of these ships.

13                      And to keep it in short, the  
14      system worked great. The only negative thing I  
15      would say -- and I'm looking a little bit to  
16      Lynn -- is that I'm looking at a screen like this  
17      (indicating a small square).

18                      MS. STAMBAUGH: He needs a bigger  
19      screen.

20                      (Laughter)

21                      MR. FAURE: But other than that, I  
22      think the system works very well, and I think --

23                      MR. TURVEY: Go for the gold,  
24      Albert. Hold out for plasma.

25                      (Laughter)

1 MR. FAURE: And we are very  
2 pleased with the system, and it is a very nice  
3 compliance tool.

4 MS. STAMBAUGH: I want to just  
5 add, this was on our wish list to do before the  
6 ballot measure, so we are very happy to have this  
7 tool at our disposal.

8 MR. THOMA: I'm familiar with  
9 Marine Exchange. I think they are a great company.  
10 Is this funding coming out of the Ocean Rangers  
11 segment?

12 MS. STAMBAUGH: It will be coming  
13 out of that. It's considered part of the program,  
14 yes.

15 MR. THOMA: And what is your  
16 estimate of the yearly cost of the tracking system?

17 MS. STAMBAUGH: I think we  
18 estimated between \$75,000 and \$80,000 a year.

19 MR. THOMA: Great. Thanks.

20 MS. STAMBAUGH: Anything else?

21 MR. TURVEY: I guess one thing  
22 maybe we can talk about, being at the forefront, is  
23 that maybe we can look at an FTP site. I know  
24 these files are too big for e-mail, but maybe we  
25 can look at an FTP site.

1 MR. FAURE: Thank you, John. We  
2 should -- at the moment, as it works out, people  
3 call us or send an e-mail. We report it, and a day  
4 later or two days later -- the express mail works  
5 very well. But you're right. We need to go  
6 further in the process. But still, you know, at 12  
7 megabytes, they are heavy babies. I mean,  
8 especially the state system has all kind of spam  
9 controllers, filters.

10 MR. TURVEY: We'll do it at the  
11 end of the day, when you go home at night.

12 MR. FAURE: If you promise me,  
13 that's fine.

14 (Laughter)

15

16 2007 COMPLIANCE

17

18 MS. STAMBAUGH: All right. Well,  
19 if there are no other questions on that, I'll move  
20 through the agenda here.

21 The next item was the 2007 season  
22 compliance, both from -- our program is kind of  
23 unique in that we are in the Division of Water, but  
24 we also look at air emissions in our purview. And  
25 on top of all of our efforts to respond to the

1 ballot measure, the other work of the program  
2 didn't stop. We still looked at the monitoring  
3 reports that would come. We sent -- we have a  
4 contractor who goes out and does opacity  
5 observations for us, and we review those. So there  
6 is a lot of work just with ongoing compliance.

7 This was a very good compliance  
8 year. At this point, we are only looking at two  
9 air incidents that we think need following up, and  
10 we'll work through a compliance and enforcement  
11 track on that. We usually do that in the off  
12 season, so to speak, when we develop a case.

13 You have to have a lot of  
14 information on the logs that the observer took.  
15 You have to know a lot about the atmospheric  
16 conditions that day. We usually have a backup of  
17 the tape. So it takes a while to move through one  
18 of those compliance cases.

19 On the wastewater side, again, a  
20 good compliance year of the 22 vessels that were  
21 discharging in Alaska waters. I do want to mention  
22 that because of the press of everything that we  
23 were doing and the fact we were shorthanded, we  
24 haven't posted the results from 2007, and we are  
25 still -- we just finishing QA-ing the results from

1 2006. Normally we have all those monitoring  
2 results on our website. We'll get those posted  
3 soon. We just hired somebody, so we are definitely  
4 keeping up with the program's history of having  
5 that be an open data source on our website.

6 MR. FAURE: I can a little expand  
7 on that. That QA-ing of the data, what you mean --  
8 now, let's say that when the data comes in  
9 electronically, when the sample is taken, there is  
10 an obligation -- there is 21 days we need to see  
11 results. We get the results electronically in an  
12 EE2 format and in a format that is with a narrative  
13 and what they sampled and how it was.

14 All these sample results are  
15 immediately screened. If we see things that are  
16 exceedances but maybe not identified in the  
17 narrative, or something is wrong, or something --  
18 maybe it's the wrong ship is named in the wrong  
19 data. So we screen that, and we QA that  
20 immediately, and we provide feedback to the ship.

21 And always we find that there is  
22 something -- an exceedance, that the ship stopped  
23 discharging. So that is not a problem. So we  
24 basically say we QA these things fairly fast. For  
25 2006, of course, we have them QA'd already, because

1 2006 is over. So we QA'd them all. And we said  
2 they are fine. However, we need to QA, as we call  
3 it internally, in a kind of presentable format all  
4 the piles of stacks of 56 pages for you folks on  
5 the web. What we did in the old days manually,  
6 that makes people really tired. So now we have a  
7 drop system so we can import them and massage them  
8 and put them in a more readable format.

9 MS. STAMBAUGH: So we do want to  
10 get all of the information from these past two  
11 seasons posted and have those available.

12 Do you have any questions about  
13 this year's compliance, or can I move on? Okay.

14

15 OTHER BALLOT MEASURE PROVISIONS

16 FEES COLLECTION

17

18 MS. STAMBAUGH: A couple of other  
19 ballot measure provisions I wanted to discuss: As  
20 you know, fees were part of the ballot measure, and  
21 it was based on a \$50-per-passenger head tax.  
22 \$46 of those dollars were collected by our  
23 Department of Revenue, and then \$4 was to be  
24 collected by DEC to help support the Ocean Ranger  
25 program and the other parts of the ballot measure.



1                   As I said earlier, we already had  
2                   an electronic registration system, and the  
3                   registration fees that were already in place were  
4                   based on the number of passengers and voyages that  
5                   each of these vessels were making to Alaska.

6                   So we tagged on to that system  
7                   another collection system to get the  
8                   \$4-per-passenger fee to help support the Ocean  
9                   Ranger program. So very good compliance with the  
10                  lines to pay that fee. Any questions?

11                  MR. FAURE: Yes. They all paid.

12                  MS. STAMBAUGH: Yes?

13                  MR. BAKER: Is that four bucks  
14                  going into -- are you tracking those separately, or  
15                  are they going into the commercial vessel passenger  
16                  compliance --

17                  MS. STAMBAUGH: We have a separate  
18                  collocation code for the fees that are coming in  
19                  based on that program. Yes.

20                  MR. BAKER: Okay. So what did you  
21                  collect this year? Do you know?

22                  MS. STAMBAUGH: I don't know. I  
23                  don't know what the total amount was. It should  
24                  be --

25                  MR. BAKER: It should be four

1 times \$800,000, basically?

2 MR. THOMA: About 950, actually.

3 MR. BAKER: Four times 950? Okay.

4 MS. STAMBAUGH: And then -- oh,  
5 question?

6 MR. WHITE: Jeff White. The press  
7 just came out with a report saying there wasn't  
8 enough money to pay for the Ocean Rangers. Does  
9 that mean that the program will be smaller, will it  
10 take a bigger bite out of the \$50, or how will that  
11 work?

12 MS. STAMBAUGH: Well, of the \$50,  
13 only the \$4 came to DEC. The rest of it is going  
14 to Revenue. And I don't want to talk about what  
15 Revenue is doing with their portion, but we are  
16 estimating the maximum that we could get in a  
17 season is \$4 million from that fee. And we also  
18 have the registration fees that came in anyway from  
19 the program.

20 When we are looking at costing out  
21 the Ocean Rangers over the next three fiscal years,  
22 if we were to implement ridership on every vessel,  
23 then I think we might be hitting the ceiling of not  
24 being able to fully implement. So we may have some  
25 decisions and have to come up with the best mix of:

1 Do we have Ocean Rangers on every vessel? It may  
2 turn out that we can't get 30 Ocean Rangers. I  
3 think that we are working this fall and winter to  
4 maximize a program, and work also with additional  
5 funding from the legislature so we have the  
6 allocation to actually spend the money.

7 So there is a lot going on on that  
8 front to ensure that we get the money to implement  
9 the program.

10 REPRESENTATIVE GATTO: There is  
11 another revenue source, and that's gambling. Are  
12 you required, with the \$4, to also administer the  
13 gambling? Do you track that, or is that --

14 MS. STAMBAUGH: That's all  
15 Revenue. That's all Revenue. The only thing about  
16 that is the Ocean Rangers are not going to be able  
17 to gamble on board. We do know that.

18 (Laughter)

19 REPRESENTATIVE GATTO: I believe  
20 that.

21 MR. BAKER: How much were you  
22 normally collecting under your old registration  
23 fee? How much are you bringing in on that? Is  
24 that based on a passenger count as well?

25 MS. STAMBAUGH: It is. It is on

1 the --

2 MR. FAURE: Capacity of the ships.

3 MS. STAMBAUGH: -- capacity of the  
4 ship, how many voyages they make. It was a sizable  
5 amount of money.

6 MR. BAKER: I mean, is it more or  
7 less than the \$4 million?

8 MS. STAMBAUGH: It was less.

9 MR. BAKER: Okay.

10 MS. STAMBAUGH: Yes. And that all  
11 goes to general funds, but it was -- you know,  
12 certain parts of it we were able to use for  
13 projects. It was a self-sustaining program.

14 MR. TURVEY: So, I mean, based on  
15 what I heard earlier, you talked about the  
16 implementation costs for the Ocean Rangers, and  
17 then there was a discussion about air emission  
18 studies and that you weren't able to -- and we are  
19 talking about the same pot of money, right?

20 MS. STAMBAUGH: We were in an  
21 unusual situation this year in that the allocation  
22 of being able to use those Ocean Ranger funds is  
23 lagging a little bit.

24 MR. TURVEY: Meaning the  
25 authorization from the legislature?

1 MS. STAMBAUGH: Right, the  
2 authorization from the legislature to actually use  
3 those funds. So just to get started on this  
4 ramp-up, we did use the existing money that came  
5 from the registration.

6 MS. KENT: In the last fiscal  
7 year, which was the start of this cruise ship  
8 season. So each cruise ship season spans two  
9 fiscal years for us.

10 MS. STAMBAUGH: Right. I really  
11 wish the cruise ship program would match our fiscal  
12 year, but it splits it up, so it makes it a little  
13 hard to --

14 REPRESENTATIVE GATTO: Change the  
15 cruises.

16 (Laughter)

17 MR. TURVEY: Global warming will  
18 take care of that.

19 So are you saying, then, that you  
20 have this money in escrow? I mean, you collected  
21 \$4 million. Is that spent, or is it carrying over?

22 MS. KENT: The money goes into the  
23 commercial passenger vessel environmental  
24 compliance fund. It has to be appropriated by the  
25 legislature for DEC to use it. So for the current

1       fiscal year, the legislature appropriated what I'll  
2       call our normal operating funds for the existing  
3       cruise ship program, and \$1.2 million towards the  
4       Ocean Ranger program.

5                   MS. STAMBAUGH: And we have  
6       developed, in-house and working with different  
7       requests, a dozen different budgets, trying to, you  
8       know, mix and match and maximize and optimize. I  
9       mean, we are really conscious of the cost of the  
10      program, and so --

11                  MR. BRAKEL: So because it wasn't  
12      the full amount, that's one of the reasons you cut  
13      back on the air quality monitoring at this time?

14                  MS. STAMBAUGH: Not really. It  
15      was more that we knew we probably didn't have our  
16      own time to spend on it. We had to make a decision  
17      with the contractor. We chose not to do it this  
18      year, but it's on our wish list in the future to do  
19      some more ambient air monitoring.

20                  MR. KIEHL: Jesse Kiehl. I work  
21      for Senator Kim Elton.

22                   I notice back here on the table  
23      there is a small vessel checklist. Did you have  
24      monitors riding small vessels?

25                  MS. STAMBAUGH: No. The ballot

1 measure only applied to vessels over 250 capacity.  
2 In reality, most of them are over 500.

3 MR. KIEHL: Right. And when was  
4 the decision made to put together the checklist for  
5 small vessels?

6 MR. FAURE: There is no checklist  
7 for small vessels. I believe that is used in  
8 the --

9 MS. STAMBAUGH: There is a  
10 vessel-specific sampling plan. That's something  
11 that was already part of the program.

12 MR. KIEHL: Okay.

13 MR. FAURE: So for small vessels,  
14 between 50 and 250, and the large vessels coming to  
15 Alaska, is separate of the new law -- want to  
16 discharge, they have to sample. And then if they  
17 have to sample, we want to know how you sample it,  
18 where you sample it. Do you scoop it overboard or  
19 use a felt? These kinds of things are in the  
20 vessel-specific sampling plan.

21 And you see there also ingredients  
22 in it, elements, for example -- vessel size, what  
23 wastewater treatment installation, what for  
24 overboard, what for flows, what for holding tanks.  
25 So we really know, for statistical reasons, what is

1 going on on the ship. And we can also get data  
2 from the ship and say, "Okay. This is a ship of  
3 this size and these tanks. There is so much  
4 effluent. There is so much discharge." And so  
5 there is really a kind of passport how to discharge  
6 approved by DEC.

7 MS. STAMBAUGH: And that's part of  
8 the registration process every year, is you submit  
9 that plan.

10 MR. FAURE: If you are going to  
11 discharge.

12 MS. STAMBAUGH: And then, at the  
13 end of every year, we also have a big quality  
14 assurance retrospective to help the industry  
15 streamline and, you know, work with the contractors  
16 to look at the data each year and make sure people  
17 are meeting those vessel-specific sampling plans.  
18 Okay?

19

20 REVISIONS OF EXISTING REGULATIONS  
21 AT 18 AAC 69

22

23 MS. STAMBAUGH: Then the only  
24 other thing I want to mention is, we did have a  
25 statute change, but we did have an existing set of



1 regulations, 18 AAC 69, that does need to be  
2 revised to reflect the changes that were made in  
3 this statute. And we have started the original  
4 drafting, the initial drafting of those  
5 regulations, but that's something that we probably  
6 will be working on in the future.

7 And then any questions about those  
8 two things? Let's see how we are doing on time.

9

10 OUTLOOK FOR 2008 SEASON

11

12 MS. STAMBAUGH: I guess I want to  
13 move on to outlook for the 2008 season.

14 Obviously, we are taking the  
15 experiences we had in this season and working with  
16 our new contractor. We had gone out to bid for a  
17 contractor to work through the next three years of  
18 the Ocean Ranger program, and the first request for  
19 proposals, we had only one bidder. And through --  
20 working through that bid, we found out and  
21 determined through our procurement process that it  
22 was nonresponsive in terms of how it costed things  
23 out.

24 So we reopened the bid and got  
25 additional bids. And we are in the process of

1 looking through those proposals, both from a  
2 technical and a cost standpoint. And I think that  
3 it's going to be early November that we will be  
4 able to name a contractor and move forward in 2008.

5 The first thing we want to do is  
6 look at the checklists again and include those  
7 sanitation and public health duties that we are  
8 working on.

9 The general permit is going to be  
10 issued before the next cruise season. We are also  
11 looking at maybe doing some efforts with pilot  
12 studies to combine what Albert described in the  
13 vessel tracking system to some newer technology  
14 that actually can work with alarms and valves and  
15 be able to realtime-track discharges.

16 The technology is out there. We  
17 would love to work on a pilot project to see if  
18 that could augment our program. We don't have  
19 anything on the books yet, but it would be a really  
20 great way to enhance our tracking abilities.

21 We also are going to be changing  
22 our staffing for the cruise ship program at DEC.  
23 We are hiring a manager for this program, and  
24 Albert will have to say goodbye to me as his  
25 supervisor.

1                   And we just hired -- we are in the  
2                   process of hiring an Environmental Program  
3                   Specialist I to help with our data, and he happens  
4                   to be standing over there. Ed White. He's going  
5                   to be joining us in November.

6                   We had a hard time recruiting for  
7                   the position. I hope people weren't scared because  
8                   everything they were hearing about the cruise ship  
9                   program. But I had to go out several times to hire  
10                  that position and get a qualified person.

11                  We also have a slot for one more  
12                  technical specialist to join that program. So we  
13                  are beefing up the internal DEC staff. These are  
14                  staff who will augment our contractors, who can go  
15                  out and do opacity reads, who will do all of the  
16                  data review and all of the posting of things on the  
17                  web, cover complaints that come in to us.

18                  I mean, it was -- I'll be  
19                  honest -- a stressful year this year. We didn't  
20                  have as many staff. I had to steal staff from  
21                  other programs. So anyway, we are definitely  
22                  improving in that. And then, of course, we are  
23                  going to be working on revising our budget for next  
24                  year.

25                  That was all that I had

1 specifically on both 2007 and the outlook. I have  
2 a point here for questions and answers from the  
3 public, and then we have this room scheduled until  
4 8:00.

5 I also wanted to maybe cover a  
6 little bit of some of the federal activities going  
7 on. Do you want to hear about that before we go  
8 into the Q and A?

9 MR. THOMA: Sure.

10

11 EPA CRUISE SHIP AND VESSEL EFFORTS

12

13 MS. STAMBAUGH: Okay. On your  
14 agenda, it's "EPA Cruise Ship Efforts and Vessel  
15 Efforts." EPA is working on their own evaluation  
16 of the cruise industry and expect to have a report  
17 out sometime in December or February. I'm not  
18 quite sure. I actually have a representative from  
19 EPA here, Elizabeth Kim and also Liz Chaner from  
20 EPA headquarters in Washington, D.C. And they are  
21 giving a presentation tomorrow at DEC's offices at  
22 410 Willoughby Avenue, on the second floor, from  
23 10:00 to noon.

24

25 And they'll go through a  
PowerPoint presentation of their results of

1 monitoring a variety of different types of  
2 treatment systems used on cruise vessels in Alaska.  
3 It's compelling. I went through the dry run today,  
4 so I saw their presentation. If you want to know  
5 what is happening on the federal level, I encourage  
6 you to go to that presentation tomorrow, or talk to  
7 Elizabeth and Liz here after this presentation.

8 There is also an effort going on  
9 at the federal level for NPDES permits for vessels.  
10 And EPA and DEC are tracking this effort. It could  
11 have wide ramifications for all kinds of vessels,  
12 not just cruise ship vessels.

13 I'm working with a national  
14 wastewater group as Alaska's representative to make  
15 sure we are keeping abreast of that, that could  
16 affect boaters and all kinds of commercial vessels  
17 operating in the state. And just -- EPA has a  
18 website for that effort, so you can go to their  
19 website.

20 I also mentioned that there is  
21 increased interest at the national level for  
22 monitoring cruise ship air emissions, and a recent  
23 case in the Ninth Circuit has put the spotlight on  
24 that.

25 Other federal efforts -- Elizabeth

1 and Liz, do you want to say anything about your  
2 meeting tomorrow?

3 MS. KIM: I'd be happy to talk  
4 with anyone tonight, if you're not able to make it  
5 tomorrow, but we'll run through the whole thing  
6 tomorrow.

7 And I'll primarily be talking  
8 about our efforts to look at the standard that is  
9 applicable in Alaska under Title 14. So it's not  
10 related to the ballot initiative or any of that  
11 work; it's under the older law, Title 13, that  
12 applies to cruise ships in Alaska.

13 And the other thing that Sharmon  
14 had mentioned that we are hoping to get out in  
15 December is our cruise ship discharge assessment  
16 report. That is a different effort from our  
17 evaluation of the standards in Alaska. That is in  
18 response to a petition we got from Bluewater  
19 Network a number of years ago, looking at five  
20 different discharges, actually, from cruise  
21 ships: sewage, graywater, bilge water, hazardous  
22 waste, and solid waste. So that is a slightly  
23 different effort, and we're hoping to go out for  
24 public comment with that soon.

25 We are not going to be making any

1 announcements on our Alaska effort. We are  
2 evaluating the standards right now. But I did want  
3 to come and give some preliminary results.

4 In 2008, we will come forward with  
5 our determination as to whether those standards  
6 need to be changed, or whether they are okay the  
7 way they are. But I just wanted to kind of give a  
8 preview of what we've been doing, what the analysis  
9 is saying, and get your feedback on that. So that  
10 will be tomorrow at 10:00.

11 MS. STAMBAUGH: Thanks, Elizabeth.

12 Then I guess the rest of the  
13 agenda is open for more questions, comments. Boy,  
14 I really appreciate the turnout. It was a much  
15 bigger crowd than I anticipated. As I said, let me  
16 know if you want any of these handouts, and we'll  
17 post them on the website.

18 MR. FAURE: They'll be soon  
19 posted.

20

21 QUESTIONS AND ANSWERS - PUBLIC INVOLVEMENT

22

23 REPRESENTATIVE SEATON: Paul  
24 Seaton again. I had a question on your  
25 environmental training and going into the health

1 situation. Is there an effort to get the  
2 environmental folks trained up enough so that they  
3 can take over that work from Public Health, or is  
4 it still going to be two different agencies  
5 monitoring --

6 MS. STAMBAUGH: I don't presume to  
7 speak for the federal government, but there is no  
8 way we could do the inspections those guys do.  
9 Their manual is like this (indicating). They look  
10 at every conceivable source of contamination in a  
11 kitchen. It's extremely thorough. They do  
12 unannounced inspections. They work in port. They  
13 do not ride the vessels. They do all of their work  
14 in port, and it's a phenomenal program.

15 I think what we best want to do is  
16 look at our regulations for solid waste, for health  
17 and safety, and things like, you know, beauty spas.  
18 And we want the focus on the things that we  
19 actually have regulations in place for and how we  
20 think we can complement those folks. I don't think  
21 we ever intend to fully duplicate what they do. I  
22 think we would need years of training to do that.  
23 Those guys are super inspectors. They have years  
24 of training.

25 MR. BAKER: I have one question.



1       what is the relationship then -- I don't understand  
2       the contractor relationship.  What exactly --  
3       because if the state is now going to hire people  
4       internally, and then you have got the contractor,  
5       and then you have got the engineers.  Are they  
6       hiring the engineers, or how does that work?

7                       MS. STAMBAUGH:  Well, this year,  
8       just because we had the ramp up very quickly, we  
9       used what is called a term contractor.  We have a  
10      stable of environmental firms around the state that  
11      we have already gone and vetted through our  
12      contract and procurement process.

13                     MR. BAKER:  Okay.

14                     MS. STAMBAUGH:  So we chose the  
15      best -- we did a whole bid process and chose what  
16      we thought was the best effort for this season from  
17      our existing contractors.

18                     They, in turn, are subcontracting  
19      with MEBA, which is the Marine Engineers Beneficial  
20      Association, MEBA, and so they are actually  
21      subcontracting to that union to provide the right  
22      credentialed engineers to provide those services.

23                     When we first looked at the ballot  
24      measure, we thought, "Could we conceivably hire  
25      these people in-house?"  And there is not anybody

1 on DEC's staff who has that third assistant  
2 engineer license requirement. And if we directly  
3 hired, we would have to create a job class. I  
4 mean, there were all kinds of impediments to doing  
5 it that way.

6 So we just realized we would  
7 probably have to go contract on that, and I think  
8 that's a good decision, because we don't want to  
9 duplicate those efforts in-house. What we do want  
10 to have is some additional staff to work with those  
11 contractors and make sure DEC's efforts are being  
12 represented by our contractors.

13 And then for next season, we went  
14 to an open bid process with a much more complicated  
15 procurement, very specific. We had the contractors  
16 propose and cost out different scenarios that would  
17 be responsive to the ballot measure. Are the Ocean  
18 Rangers going to get on the first Alaska port? Are  
19 they going to board pilot vessels, and that would  
20 be how they would accomplish the ballot measure  
21 requirement to be in Alaska waters and riding the  
22 vessel, or would we do port-to-port, or some  
23 combination of those things?

24 That's what's on the table for  
25 next season: what is the best way to maximize the

1 program for all aspects -- costs, safety,  
2 logistics, everything.

3 MR. BAKER: Is it up to them to  
4 decide whether they subcontract it to MEBA?  
5 Because MEBA wasn't specified in the -- I don't  
6 recall them. They are not part of the --

7 MR. THOMA: Just marine engineers  
8 were specified.

9 MR. BAKER: Is it just that there  
10 is nobody else in --

11 MS. STAMBAUGH: That's who in  
12 Alaska provides those services. We could go to  
13 other providers.

14 MR. BAKER: So they are all --  
15 anybody with that certification is going to be a  
16 union member of MEBA?

17 MS. STAMBAUGH: Not necessarily  
18 MEBA.

19 MR. FAURE: There are two main  
20 unions, basically.

21 MS. STAMBAUGH: Yes. There is  
22 another union.

23 MR. FAURE: And that is basically  
24 left open, so it's up to the contractor how to  
25 obtain the third engineers. If they want to get

1       them from the street, that's fine, too --

2                   MS. STAMBAUGH: Right.

3                   MR. FAURE: -- so long as they  
4       have these credentials and the relevant work  
5       experience on ships, and their Z-card still in  
6       place, then they can do that --

7                   MR. THOMA: A current Z-card.

8                   MR. BAKER: So who negotiates the  
9       terms of the -- I don't know what it's called, but  
10      the union agreement? Because like you said, the  
11      costs are going to go up significantly because of  
12      their parameters. Is that something that is --

13                  MS. STAMBAUGH: well, they are  
14      covered by their own union, and their union  
15      specifies a lot of those things, their per diem,  
16      their--

17                  MR. FAURE: A good example on the  
18      ferry system, I would say. We can look at the  
19      ferry system contracts.

20                  MS. STAMBAUGH: Right. The MEBA  
21      contract is actually an appendix to that report on  
22      the back table. It's also on our website. Just  
23      for costing out and comparison and a local example,  
24      we did tend to use MEBA as sort of a baseline of  
25      what these folks would cost.

1 MR. BAKER: Because the state can  
2 go -- I mean, renegotiates regularly with MEBA on  
3 the Marine Highway. So I think there is some room  
4 to maneuver within a basic --

5 MS. STAMBAUGH: Uh-huh.

6 MR. BAKER: And is that something  
7 the contractor will be doing, or will your  
8 organization do that sort of labor negotiation?

9 MS. STAMBAUGH: It would be the  
10 contractor.

11 MR. BAKER: Okay.

12 MS. STAMBAUGH: They are looking  
13 also at the liability issue and other things that  
14 they would take on as a contractor. So they are  
15 assuming a lot of that part of the deployment of  
16 the program.

17 MR. FAURE: The assignments, the  
18 training, redefining of the training, that is still  
19 in the hands of the state. What I'm saying is that  
20 it's under the supervision of the contractor  
21 providing the services. It's not that I want to  
22 create the idea that we farmed this whole thing out  
23 through a contractor. That is absolutely not true.

24 MS. STAMBAUGH: And we already do  
25 that in the air program. We don't have enough

1 in-house observers to do all the opacity reads. We  
2 have had a three-year contract in place to hire  
3 trained Method 9 observers to go out. And we have  
4 a long history in the program of dealing with  
5 contracted services. And, you know, I think with  
6 additional staff at DEC on this big contract, we'll  
7 be able to keep good tabs on efforts.

8 MR. BAKER: I think it's going  
9 to -- because aren't they going to be able to  
10 negotiate things like -- I mean, like this year,  
11 the passenger -- are these passenger berths? Crew  
12 berths? Like how are these people treated on board  
13 the ship? And to me, those are the type of things  
14 that they are going to be negotiating for --

15 MS. STAMBAUGH: Right.

16 MR. BAKER: -- as part of this  
17 agreement that is going to significantly raise the  
18 cost, potentially. So I don't know if we --

19 MS. STAMBAUGH: Well, yes.

20 MR. FAURE: I think it is not the  
21 intention of the state to put them in honeymoon  
22 suites. I mean, even if they are offered. I  
23 mean -- so I'm looking at it, but that is my own  
24 idea coming from the industry and working for the  
25 DEC in this program a few years, is that we look

1 clearly in the most efficient way to implement  
2 these guys in a decent cabin. That means, for  
3 example, hopefully in a crew cabin, and close by  
4 the engine room so they cannot lose much time to do  
5 their inspections and walk around.

6 And I think that would be fair,  
7 and we have limited time on board the ships. Even  
8 if they stay maybe for weeks on board the ships,  
9 but they really need to get in the hour slots, how  
10 they are dedicated per day to these craftspeople  
11 and engineers to get the most out of them from an  
12 environmental feedback compliance perspective.

13 MS. STAMBAUGH: We are looking at  
14 the berth costs and looking at how much that would  
15 cut into the full funding of the program. At this  
16 point, we budgeted around \$2,000 per a whole  
17 voyage. And one of the Catch-22s is if you book a  
18 berth, you have it for the whole voyage. Even if  
19 we deployed somebody in Ketchikan and they got off  
20 in Haines, they are -- the cruise line is losing  
21 that revenue from that berth, so they have to have  
22 some compensation for it.

23 And in terms of whether these  
24 folks are crew, are they passengers -- they are  
25 sort of in between. They are working passengers.

1 I don't know how else to describe them, but, you  
2 know, they are not going to get luxury treatment,  
3 but they are going to get fair and -- you know, we  
4 may have to decide. If there are a couple of  
5 vessels that come to the state that are luxury  
6 vessels, and every berth is expensive on those, we  
7 may have to make an executive decision at some  
8 point, does every time that vessel come, they get  
9 an Ocean Ranger on board? If the cost of the berth  
10 is hitting \$7,000 or \$8,000, that might not be cost  
11 effective.

12 chip?

13 MR. THOMA: Sharmon, I had some  
14 similar concerns that Miles did about costs, and  
15 also this gentleman mentioned that he was brought  
16 here by the empire article that detailed the  
17 concern about the berth cost.

18 I went ahead and ran some numbers  
19 on the figures that I was given last year, which I  
20 testified to extensively in the legislature. If 25  
21 Ocean Rangers were employed at all times and on  
22 board the ships, paying \$2,100 a week, which is  
23 \$300 a day, that comes out to about \$945,000,  
24 reimbursing the cruise ships for the berths on  
25 board.



1                   However, the median listed cruise  
2                   to Alaska right now on Expedia.com is \$1,000, and  
3                   having a negotiated pre-summer price with  
4                   Mr. Hansen and Mr. Binkley and the other members of  
5                   the industry, that cost, if we have a \$1,000-a-week  
6                   cost, would lower that, of course, to \$450,000.  
7                   We're looking at 450 weeks of man hours on board.

8                   I also spoke with a local hotel in  
9                   Juneau -- in fact, two of them -- and they both  
10                  quoted me figures of around \$100 a day, or \$700 a  
11                  week per ranger. Those rangers could get off the  
12                  ships in Juneau and Ketchikan and Skagway and the  
13                  other ports at 5:00 a.m., at 6:00 a.m., get a hotel  
14                  room for the day, and that cost would drop to  
15                  \$315,000.

16                  And then finally I spoke with a  
17                  realtor in Juneau who assured me that one can  
18                  easily rent four-bedroom houses in Ketchikan,  
19                  Juneau, and Skagway, and two-bedroom apartments in  
20                  the smaller ports at a cost of \$3,000 per house a  
21                  month and \$2,000 per apartment, with the daily  
22                  costs included. That cost is \$20,000 a month, or  
23                  \$100,000 total lodging costs for the five-month  
24                  summer season.

25                  That would also give you latitude

1 of, instead of these rangers being beholden to the  
2 ship for room and board and being tracked by them  
3 and paying for them no matter what the thing,  
4 whenever they get off, they have a house available  
5 to them in the major ports and apartments available  
6 to them in the smaller ports.

7 I would love to have that contract  
8 for \$200,000 to supply all the lodging for the  
9 rangers, and I would save the state over \$700,000  
10 from what is now being charged or asked for on the  
11 ship.

12 But finally, I want to reiterate  
13 that the law does not require rangers on board 24  
14 hours a day. I'm very gratified to hear that. I'm  
15 also very gratified to hear that the ships gave  
16 comp rooms to Oasis and to the training program  
17 this year. I think there is an area there that we  
18 can negotiate with them, but we have to get these  
19 prices down below -- I mean, \$1,000 a week I think  
20 is manageable, but we can't be paying \$2,100 a week  
21 to sleep during the day and have a couple of meals.  
22 It's not -- it's just not feasible.

23 MS. STAMBAUGH: well, these are  
24 all issues we are working through as we speak.  
25 We're just -- we eventually had to task somebody

1 just to doing the research and the availability and  
2 the costs and all of these things.

3 MR. THOMA: If I can add one last  
4 thing, I think the parameters of the RFP were too  
5 tightly drawn. I think you should have allowed  
6 getting off the ships and having lodging in other  
7 places besides being on board the ships.

8 If the lodging and the  
9 transportation, the logistics, were reimbursable in  
10 this RFP, you'd have a whole different way of  
11 looking at this thing. We don't even know what the  
12 negotiated price is. And unfortunately, I don't  
13 think the contractor, of course, do, or the people  
14 that applied. So I think that was the mistake, is  
15 that lodging and transportation should have been  
16 reimbursable, and we should have been looking just  
17 as the marine engineers and also their training.  
18 And that's how I view it.

19 MR. TURVEY: So \$1,000 a week,  
20 that's for one person?

21 MR. THOMA: One person on board  
22 for the duration of the trip.

23 MR. TURVEY: And I guess the issue  
24 is, if you take that one person and you put them in  
25 a cabin, you can't sell the other bed.

1 MR. THOMA: That's correct.

2 MR. TURVEY: So for us, it's still  
3 a lost cost --

4 MR. THOMA: That would be a comp  
5 by the ship to the program, right. And we would  
6 pay \$1,000 of that. We would pay about half of  
7 that, rather than paying the entire freight on the  
8 thing.

9 Instead of paying for two people,  
10 which is what we are being asked to do -- we are  
11 being asked to pay for double occupancy. We're  
12 asking for single occupancy but not at the single  
13 occupancy rate, which is almost double occupancy.  
14 So what we want is half the double occupancy rate.  
15 Then the program will work, and we have got enough  
16 money to carry that off.

17 MS. STAMBAUGH: Do you have a copy  
18 of what you --

19 MR. THOMA: I have my comments for  
20 you, yes.

21 MS. STAMBAUGH: Okay. Thank you.

22 MR. THOMA: They are all addressed  
23 in here.

24 MR. BINKLEY: I just had a quick  
25 comment. John Binkley. I would say if you can

1 find it on Expedia for half the price, buy it, book  
2 them. Wherever you can find the best rate, whether  
3 it's a travel agent, Expedia, however you can get  
4 the cheapest cabin rate, buy them. And if you can  
5 save half the money, the state has an obligation to  
6 try and do that, to get it for the least possible  
7 cost.

8 The other thing -- I think Chip  
9 brought up some excellent points about other  
10 alternatives, maybe of housing in the local  
11 communities as they come through.

12 The cruise lines did work closely  
13 with DEC to make available any space that they had  
14 on vessels as they came available. But it's one  
15 thing to do that when you say, "Okay. Next  
16 Thursday, there is going to be an Ocean Ranger that  
17 shows up in Juneau." They show up, and there is a  
18 spare cabin, and they allowed them to use that  
19 between Juneau and Haines.

20 But to say, a year in advance, you  
21 need to reserve a cabin for that Ocean Ranger,  
22 that's completely different. So I think if we  
23 continued the arrangement like we had this year of  
24 trying to work as those came available, that might  
25 be something that is workable. But if you want to

1 make sure that there is a cabin every day on every  
2 ship all summer long, you are going to have to buy  
3 that cabin.

4 MR. FAURE: But, John, the law is  
5 still quoting 24/7 while in Alaskan waters.

6 MS. STAMBAUGH: No, it just -- I  
7 mean, I think one of the issues with the citizens'  
8 ballot initiative is, when it came to us, we had to  
9 kind of construct the intent behind it. And we are  
10 not working on a 24/7 assumption. Being -- having  
11 an Ocean Ranger while in Alaskan waters, you're  
12 right. While they are in port, they might not need  
13 to be doing any inspections.

14 But there is discharge going on  
15 while some vessels are in port, so there are  
16 environmental activities on board that could  
17 conceivably, you know, need or want some  
18 monitoring. That -- right now, that's when we do  
19 most of our inspections, is where vessels are in  
20 port.

21 MR. THOMA: Well, they have to  
22 sleep sometime. We want them on board when the  
23 vessel is operational.

24 MS. STAMBAUGH: I agree. I mean,  
25 I think -- I mean, I'm cheap at heart. What I'm

1 hearing, what you're saying -- I think, you know,  
2 that makes a lot of sense. I think that we were  
3 really looking at, "We have to put somebody on  
4 board," and if we want -- and there are some, I  
5 think, conditions through their union contract that  
6 they have to have decent accommodations. So, you  
7 know, I think that working with cost and being fair  
8 on these observers, you know, being fair with the  
9 cruise industry -- it's a balancing act here.

10 MR. KIEHL: Can I get  
11 clarification on one point? Because a lot has been  
12 bandied about by people who have been watching this  
13 much more closely than I have been.

14 The RFP is out for the contractor  
15 to retain and dispatch, I think, Ocean Rangers on  
16 board the ships. Does the RFP include berths, or  
17 is that something the department is negotiating  
18 separately with the lines? I'm lost.

19 MS. STAMBAUGH: well, it did. The  
20 way that it was written was, we expected them to  
21 provide information about berths. But the kicker  
22 is, we are running up against this: Are the berths  
23 going to be available by the time we get the  
24 contract in place?

25 That's why the state set out on

1       its own to try to research, investigate, call, work  
2       with. We have one person pretty much detailed on  
3       this, to compare prices. We are even looking at  
4       other types of observer programs, like the NOAA  
5       fisheries observers. How do they do it? How do  
6       pilots -- you know, how do the pilots that guide  
7       all of the cruises vessels -- they have two guys or  
8       gals going on board and piloting 24/7. They have  
9       to have 24/7 coverage, for obvious reasons.

10                       So, I mean, we are comparing them  
11       to those types of programs and trying to see what  
12       is the best mix here. I mean, one possibility is  
13       to have a combination of continuous ride, you know,  
14       looking at the overall costs of the berth. Is it  
15       one of these luxury berths that's \$7,000, or is it  
16       a more introductory rate that you could get on  
17       Expedia or something on a different type of vessel?  
18       I mean, we are looking at, you know, could we  
19       augment a ridership program with in-port  
20       inspections?

21                       The one thing that we learned from  
22       this year is maybe the pilot boat might be the most  
23       difficult thing, but -- dealing with, you know,  
24       logistics of moving from port to port, that did  
25       turn out to be harder than we thought.



1 MR. KIEHL: The contract report  
2 also said it was going to be more expensive.

3 MS. STAMBAUGH: To do  
4 port-to-port?

5 MR. KIEHL: Yes.

6 MS. STAMBAUGH: We always thought,  
7 if you just wanted the most efficient way to  
8 budget, would just be to buy the berth for the  
9 whole voyage, no matter what. I mean, that would  
10 be the most predictable, efficient way to make sure  
11 you had a berth. And it turns out, if you use  
12 three days of it, you pay the same amount as if you  
13 use all seven days.

14 MR. THOMA: Well, my suggestion is  
15 that you think about pulling the RFP and coming  
16 back in with another RFP that makes the  
17 transportation and lodging reimbursable. And I  
18 think then you'll have a much clearer look at the  
19 program, and you'll be able to negotiate those  
20 costs independently of that. And then that will  
21 become the reimbursable part.

22 MS. STAMBAUGH: I'm not a  
23 procurement specialist, but this is already the  
24 second time we have gone out to bid. And I think  
25 for the expediency of getting something in place

1 for 2008, what we'll probably look at is work with  
2 some amendments to the original RFP to tailor  
3 something that would work. I can see us doing  
4 something like that, based on -- we had to go out  
5 to -- we had to go out to bid on these contracts  
6 before we had those season results in.

7 MR. THOMA: Oh, yes. Right.  
8 Right.

9 MS. STAMBAUGH: Gosh, it's so  
10 quiet with no basketball or questions. More  
11 questions? All right. Thank you everybody for  
12 showing up.

13  
14 (Cruise Ship Forum concluded at 7:47 p.m.)  
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C E R T I F I C A T E

S T A T E   O F   A L A S K A    )  
  )   Ss.  
F I R S T   J U D I C I A L   D I S T R I C T    )

I, LYNDA BATCHELOR BARKER, Registered Diplomat Reporter and Notary Public duly commissioned and qualified in and for the State of Alaska, do hereby certify that the foregoing proceedings were taken stenographically before me and thereafter reduced to typewriting by me or at my direction.

That the foregoing transcript is a full, true and correct transcript of the proceedings, including questions, answers, objections, statements, motions and exceptions made and taken at the time of the foregoing proceedings.

That all documents and/or things requested to be included with the transcript of the proceedings have been annexed to and included with said proceedings.

IN WITNESS WHEREOF, I have set my hand and affixed my Notarial Seal this 30th day of October, 2007.

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LYNDA BATCHELOR BARKER, RDR,  
Notary Public for Alaska  
My commission expires: 5/6/08